

NYISO Consumer Interest Liaison Weekly Summary

September 20 – September 24, 2021

Notices:

- The NYISO has posted **comments from IPPNY on BSM Reform and Capacity Accreditation** to the September 9, 2021, ICAPWG. [Material](#)
- The NYISO has posted **an additional Supplemental FAQ** document [here](#) to address questions received following the **solicitation of solutions for the Long Island Offshore Wind Export PPTN**. The FAQ document issued on August 11, 2021 has also been revised and reposted to the website [here](#) to correct an OATT citation in the answer to Question 53.

Meeting Summaries:

Monday, September 20, 2021

Joint Installed Capacity/Market Issues/Price Responsive Load Working Group

Evaluation of Changes in the BSM Rules on Financial Risk

Pallas LeeVanSchaick of Potomac Economics presented an evaluation of the changes in Buyer-Side Mitigation (BSM) rules on financial risk. Potomac Economics is the Market Monitoring Unit (MMU) for the NYISO.

Mr. LeeVanSchaick explained that the NYISO is considering reforms to sustain the competitive performance of the market if BSM is largely eliminated. Eliminating BSM for most resources will affect the long-term investment and retirement decisions of participants by increasing the volatility and risk associated with future revenues.

The methodology for the recovery of capital costs through the Capacity Market was reviewed to reflect the purpose of the current BSM rules. Mr. LeeVanSchaick noted that elimination of BSM will tend to increase investment risks. Potomac has developed an approach to analyzing the effect of BSM elimination on these risks. The model is designed to estimate how future price and revenue volatility would be affected by a change in market rules. We will then use these results to estimate:

- *The effect of these changes on the ROE using the capital asset pricing model; and*
- *The effects on investors' cost of debt based on the processes employed by the ratings agencies.*

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The approach is to explicitly model a system under long-term equilibrium conditions with uncertainty. The model will evaluate how uncertainty drives price volatility, comparing investment risk under the status quo BSM rules to the proposed changes in BSM rules.

Mr. LeeVanSchaick described the model components and explained how the assumptions for inputs are developed. Illustrative examples were provided for discussion with stakeholders and clarity of the methodology.

To see the complete presentation, please go to:

https://www.nyiso.com/documents/20142/24717106/MMU%20Presentation%20re%20WACC%20Adjustment_9202021.pdf/cea28c17-c373-8c1e-44ec-c5b95082a4b9

Reliability Gaps and Market Performance Metrics Part III

Scott Harvey of FTI presented part III of the study of potential reliability gaps with New York's evolving resource mix. Mr. Harvey began with a review of the ten areas of potential reliability gaps. The NYISO already tracks several reliability performance and market performance metrics in the "Operations Performance Metrics Monthly Report, presented at the Management Committee each month. This presentation reviewed additional market performance metrics the NYISO is considering. Stakeholder feedback on the proposed market performance metrics is encouraged.

Mr. Harvey led a review of and discussion on:

- *BPCG Metrics*
- *Day-Ahead Market Commitments Analysis*
- *Real-Time Commitments*
- *Uneconomic Real-Time Commitments*
- *Offer Prices of Units with Day-Ahead Market Schedules*

The NYISO and FTI are requesting feedback from stakeholders on these proposed metrics. If, in addition to feedback provided at this meeting, you wish to provide written feedback please send it to deckels@nyiso.com by October 15, 2021. The NYISO will continue to review the metrics and how they may be presented to stakeholders on an ongoing basis. To see the complete presentation, please go to:

<https://www.nyiso.com/documents/20142/24717106/Grid%20In%20Transition%20Draft%20Part%20III%20%209-13-21%20final.pdf/7c1476ad-8792-3fad-ce26-f4c6748e4ab8>

Time-Differentiated TCCs

Amanda Myott of the NYISO presented the Market Design Concept Proposed (MDCP) for the "Time Differentiated TCC" project. Market Design Concept Proposed was the 2021 Deliverable for this project. The objective of this project was to work with stakeholders to develop market rule changes needed to facilitate the creation of Transmission Congestion Contract (TCC) products that apply to different periods of time.

Ms. Myott reviewed the complete proposal with stakeholders. It was noted that the current credit requirements for TCCs do not address time-differentiated products. Additional credit requirements would need to be developed specific to time-differentiated TCCs and these requirements would be developed as part of a future Market Design Complete phase for the project, during which the market design would be finalized with stakeholders.

This project is currently not recommended for prioritization for 2022. The NYISO will not conduct a consumer impact analysis for this project at this time but will evaluate potentially conducting one as part of any future Market Design Complete phase for this project. Future project efforts and the timeline relating thereto will be determined as part of the annual project prioritization process.

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To see the complete presentation, please go to:

<https://www.nyiso.com/documents/20142/24717106/Time-Differentiated%20TCCs%20MDCP%20FINAL.pdf/ff4fbb9f-b8f7-0a7f-81a7-4521b1f5d355>

ICAP) Manual Updates for the CSR Participation Model

Amanda Myott of the NYISO presented updates to the Installed Capacity (ICAP) Manual to accommodate the Co-located Storage Resources (CSR) participation model.

Ms. Myott reviewed the updates located in the following sections of the ICAP Manual:

- 4.1.3
- 4.2.2.1
- 4.4.9
- 4.5
- 4.8.7

A new section, 3.8, was added to Attachment J of the ICAP Manual detailing the UCAP calculation procedure for Generators in a CSR.

If necessary, the NYISO will return to a future working group to discuss any substantive incremental revisions prior to governance approval at the October 13, 2021, BIC meeting. To see the complete presentation, please go to:

<https://www.nyiso.com/documents/20142/24717106/CSR%20ICAP%20Manual%20Updates.pdf/076e3ea2-4f0c-1439-0d08-fea09ce384d9>

Wednesday, September 22, 2021

Joint Electric System Planning Working Group/Transmission Planning Advisory Subcommittee 2021-2040 System & Resource Outlook Update

Jason Frasier of the NYISO updated the 2021-2040 System and Resource Outlook. The System and Resource Outlook is defined as:

“The biennial report that the ISO produces pursuant to Section 31.3.1 of this Attachment Y by which it summarizes the current assessments, evaluations, and plans in the biennial Comprehensive System Planning Process; produces a twenty-year projection of congestion on the New York State Transmission System; identifies, ranks, and groups congested elements; and assesses the potential benefits of addressing the identified congestion.”

The timeline for the process was provided with Board of Director’s review scheduled for April 2022. Mr. Frasier reviewed the process used for the production cost model development. The model benchmark was performed in May 2021 in preparation for System & Resource Outlook which validated, tested, and tuned the production cost model.

The updated databases were identified and detailed with stakeholders.

The NYISO will continue database development and present the next update at an October TPAS/ESPWG meeting. To see the complete presentation, please go to:

https://www.nyiso.com/documents/20142/24744624/0922_ESPWG_System_Resource_Outlook_Kickoff_Final.pdf/fb90d3dd-7a6d-e5b6-5f9a-d287fb755f34

2021-2030 CRP Report

Kevin DePugh of the NYISO updated the 2021-2030 Comprehensive Reliability Plan (CRP).

Mr. DePugh led a review of the CRP and highlighted all updates since the last presentation.

A redline version of the report was included with the meeting materials. The NYISO will return to the ESPWG/TPAS in October for a final presentation prior to seeking Board of Directors approval. To

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see the complete report, please go to: https://www.nyiso.com/documents/20142/24744624/2021-2030CRP_DraftReport_for_Sept22ESPWG_v4forPosting.pdf/d916d39b-4586-383e-7f8b-2895eab96e29

Long Island Offshore Wind Export PPTN Update

Ross Altman of the NYISO verbally updated the Public Policy Transmission Need (PPTN) for the Long Island Offshore Wind transmission. Mr. Altman announced that an updated supplemental “*Frequently Asked Questions*” document has been posted on the Planning website [here](#).

FERC Filings

September 24, 2021

NYISO filing of effective date notice to set October 12, 2021 effective date for enhancements to the TCC credit requirements

September 20, 2021

NYISO-National Grid joint Section 205 filing of an Executed Small Generator Interconnection Agreement among NYISO, National Grid, and SunEast Hills Solar, SA No. 2646

September 20, 2021

Joint NYISO-National Grid Section 205 filing of an SGIA among NYISO, National Grid and SunEast Fairway Solar (SA 2647)

FERC Orders

September 24, 2021

FERC letter order accepted the Engineering, Procurement, and Construction Agreement Among NYISO, RG&E and EentEra, SA. No. 2635, effective 7/15/21 as requested
ER21-2546-000

September 23, 2021

FERC Letter order accepted the Transmission Project Interconnection Agreement among the NYISO., NYSEG and NextEra Energy Transmission New York for the Empire State Line
ER21-2534-000

Filings and Orders:

http://www.nyiso.com/public/markets_operations/documents/tariffviewer/index.jsp